

HOUSE BILL NO. 660

INTRODUCED BY A. OLSON

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING A MINIMUM OF A 30-HOUR NOTIFICATION BY A CLERK OF THE SCHOOL DISTRICT TO COUNTY TREASURERS FOR CASH DEMANDS TO MEET WARRANTS IN EXCESS OF \$50,000; REQUIRING THE ASSESSMENT OF A FEE FOR SCHOOL DISTRICTS FAILING TO MEET THE NOTIFICATION DEADLINES; AND AMENDING SECTIONS 20-3-325 AND 20-9-212, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 20-3-325, MCA, is amended to read:

"20-3-325. Clerk of the district. (1) As provided in 20-3-321, the trustees shall employ and appoint a clerk of the district. The clerk of the district shall attend all meetings of the trustees to keep an accurate and permanent record of all the proceedings of each meeting. If the clerk is not present at a meeting, the trustees ~~shall~~ must have one of their members or a district employee act as clerk for the meeting, and ~~such that~~ that person shall supply the clerk with a certified copy of the proceedings. The clerk of the district ~~also shall~~ must be the custodian of all documents, records, and reports of the trustees. Unless the trustees provide otherwise, the clerk shall:

(1)(a) keep an accurate and detailed accounting record of all receipts and expenditures of the district in accordance with the financial administration provisions of this title; and

(2)(b) prepare the annual trustees' report required under the provisions of 20-9-213.

(2) The clerk of the district shall provide the county treasurer with a minimum of 30 hours' notice in advance of cash demands to meet payrolls, claims, and electronic transfers that are in excess of \$50,000. If the clerk of the district fails to provide the required 30-hour notice, the district must be assessed a fee equal to any charges demanded by the state investment pool or other permissible investment manager for improperly noticed withdrawal of funds."

Section 2. Section 20-9-212, MCA, is amended to read:

"20-9-212. Duties of county treasurer. The county treasurer of each county:

(1) must receive and shall hold all school money subject to apportionment and keep a separate accounting of its apportionment to the several districts that are entitled to a portion of the money according to the apportionments ordered by the county superintendent or by the superintendent of public instruction. A separate accounting must be maintained for each county fund supported by a countywide levy for a specific, authorized purpose, including:

- (a) the basic county tax for elementary equalization;
- (b) the basic county tax for high school equalization;
- (c) the county tax in support of the transportation schedules;
- (d) the county tax in support of the elementary and high school district retirement obligations; and
- (e) any other county tax for schools, including the community colleges, that may be authorized by law and levied by the county commissioners.

(2) whenever requested, shall notify the county superintendent and the superintendent of public instruction of the amount of county school money on deposit in each of the funds enumerated in subsection (1) and the amount of any other school money subject to apportionment and apportion the county and other school money to the districts in accordance with the apportionment ordered by the county superintendent or the superintendent of public instruction;

(3) shall keep a separate accounting of the receipts, expenditures, and cash balances for each fund;

(4) except as otherwise limited by law, shall pay all warrants properly drawn on the county or district school money;

(5) must receive all revenue collected by and for each district and shall deposit these receipts in the fund designated by law or by the district if a fund is not designated by law. Interest and penalties on delinquent school taxes must be credited to the same fund and district for which the original taxes were levied.

(6) shall send all revenue received for a joint district, part of which is situated in the county, to the county treasurer designated as the custodian of the revenue, no later than December 15 of each year and every 3 months after that date until the end of the school fiscal year;

(7) at the direction of the trustees of a district, shall assist the district in the issuance and sale of tax and revenue anticipation notes as provided in Title 7, chapter 6, part 11;

(8) shall register district warrants drawn on a budgeted fund in accordance with 7-6-2604 when there is insufficient money available in all funds of the district to make payment of the warrant. Redemption of registered warrants must be made in accordance with 7-6-2116, 7-6-2605, and 7-6-2606.

1 (9) when directed by the trustees of a district, shall invest the money of the district within 3 working days
2 of the direction;

3 (10) each month, shall give to the trustees of each district an itemized report for each fund maintained
4 by the district, showing the paid warrants, registered warrants, interest distribution, amounts and types of
5 revenue received, and the cash balance;

6 (11) shall remit promptly to the department of revenue receipts for the county tax for a
7 vocational-technical program within a unit of the university system when levied by the board of county
8 commissioners under the provisions of 20-25-439;

9 (12) shall invest the money received from the basic county taxes for elementary and high school
10 equalization, the county levy in support of the elementary and high school district retirement obligations, and the
11 county levy in support of the transportation schedules within 3 working days of receipt. The money must be
12 invested until the working day before it is required to be distributed to school districts within the county or
13 remitted to the state. Clerks of a school district shall provide a minimum of 30 hours' notice in advance of cash
14 demands to meet payrolls, claims, and electronic transfers that are in excess of \$50,000, pursuant to 20-3-325.
15 If a clerk of a district fails to provide the required 30-hour notice, the county treasurer shall assess a fee equal
16 to any charges demanded by the state investment pool or other permissible investment manager for improperly
17 noticed withdrawal of funds. Permissible investments are specified in 20-9-213(4). All investment income must
18 be deposited, and credited proportionately, in the funds established to account for the taxes received for the
19 purposes specified in subsections (1)(a) through (1)(d).

20 (13) shall remit on a monthly basis to the department of revenue, as provided in 15-1-504, all county
21 equalization revenue received under the provisions of 20-9-331 and 20-9-333, including all interest earned and
22 excluding any amount required for tuition paid under the provisions of 20-5-324(6) or (7), in repayment of the
23 state advance for county equalization prescribed in 20-9-347. Any funds in excess of a state advance must be
24 used as required in 20-9-331(1)(b) and 20-9-333(1)(b)."

25 - END -